



# General Information

Orbis Funds

*If you are in any doubt about the contents of an Orbis Prospectus, you should consult your stockbroker, bank manager, lawyer, accountant or other professional advisor. Potential subscribers for shares in the Orbis Funds should inform themselves as to (i) the possible tax consequences, (ii) the legal requirements, and (iii) any foreign exchange restrictions or exchange control requirements, which they might encounter under the laws of the countries of their citizenship, residence or domicile.*

*The distribution of the Prospectus and the offering of shares in the Funds are restricted in certain jurisdictions. No action has been taken to permit the distribution of the Prospectus or an offering of shares in the Funds in any jurisdiction (other than Bermuda) where action would be required for such purpose. In particular, neither the shares in the Orbis Funds nor the Funds themselves have been registered under any United States securities legislation and, except in a transaction which does not violate such legislation or require the registration of the Funds, the shares in the Funds are not being offered, directly or indirectly, in the United States of America or in any of its territories or possessions or areas subject to its jurisdiction or to citizens or persons thereof. Additionally, the Funds are not recognised or authorised collective investment schemes for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom. Accordingly, this communication is directed only at persons in the United Kingdom permitted under such Act (or the orders made thereunder) to receive it. Any investment or investment activity to which this communication relates is available only to such persons. Persons who are not permitted to receive this communication should not rely on it. The Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction where such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Persons in receipt of the Prospectus are therefore required to inform themselves about and observe such restrictions.*

*For each Orbis Fund, the Bermuda Monetary Authority has given approval under the Exchange Control Act 1972 (and regulations thereunder) for the issue (and subsequent transfer) of Fund Shares for offer by the Funds. The Directors have prescribed no minimum amount that must be raised by issuing Fund Shares under the Prospectus. Authorisation by the Bermuda Monetary Authority does not constitute a guarantee by the Bermuda Monetary Authority as to the performance of any of the Funds or their creditworthiness. Furthermore, in authorising the Funds, the Bermuda Monetary Authority shall not be liable for the performance or default of any of the Funds, their respective operators or service providers or for the correctness of any opinions or statements expressed herein. A copy of the Prospectus has been delivered to the Registrar of Companies in Bermuda for filing pursuant to the Companies Act 1981 of Bermuda. In accepting the Prospectus for filing, the Registrar of Companies in Bermuda and the Minister of Finance of Bermuda accept no responsibility for the financial correctness of any proposals herein or for the correctness of any statements made or opinions expressed with regard to them.*

*The Prospectus includes particulars given in compliance with the Listing Regulations of the Bermuda Stock Exchange for the purpose of giving information with respect to the Funds. The Bermuda Stock Exchange takes no responsibility for the contents of the Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of the Prospectus. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statements therein misleading. The shares in the Fund to which the Prospectus relates are being offered on the basis of the information and representations contained in the Prospectus and any further information given or representations made by any person may not be relied upon as having been authorised by the Fund or its Directors. Neither the delivery of the Prospectus nor the allotment or issue of shares in the Fund to which the Prospectus relates shall in any circumstances create any implication that there has been no change in the affairs of the Fund since the date hereof.*

*Notice to investors in Canada: If, in connection with a distribution of an eligible foreign security, as defined in Multilateral Instrument 45-107 Listing Representation and Statutory Rights of Action Disclosure Exemptions or other applicable provision, Orbis delivers to you an offering document that constitutes an offering memorandum under applicable securities laws in Canada, you may have, depending on the province or territory of Canada in which the trade was made to you, remedies for rescission or damages if the offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by you within the time limit prescribed by the securities legislation of your province or territory. You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal advisor.*

*Notice to investors in the European Economic Area (“EEA”): the Funds are not currently marketed in the EEA. As a result, the Investment Manager does not comply with the requirements of the Alternative Investment Fund Managers Directive (“AIFMD”), and persons located in any EEA member state (“European Investors”) are only permitted to subscribe for shares in the Orbis Fund in the discretion of the Investment Manager and subject to compliance with applicable law. European Investors who are permitted to invest in the Orbis Fund will not benefit from any of the protections of the AIFMD to which a European Investor making an investment in a non-European fund would otherwise have, including but without limitation, certain initial disclosure requirements, periodic reporting on illiquid assets and leverage, and certain annual reporting requirements. Additionally, within the EEA, the Funds are reserved for professional investors within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (“MiFID II”). A professional investor is an investor who possesses the experience, knowledge and expertise to make its own investment decisions and properly assess the risks that it incurs and meets the criteria laid down in Annex II of MiFID II (e.g. credit institutions; investment firms; other authorised or regulated financial institutions; insurance companies; collective investment schemes and management companies of such schemes; pension funds and management companies of such funds; commodity and commodity derivatives dealers; locals or other institutional investors). If you are an investor in the EEA and do not qualify as professional investor within the meaning of MiFID II, investments in the Funds are prohibited.*

*Notice to investors in Hong Kong: none of the Funds’ prospectuses have been registered by the Registrar of Companies in Hong Kong. The Funds are collective investment schemes as defined in the Securities and Futures Ordinance of Hong Kong (the “Ordinance”) but have not been authorised by the Hong Kong Securities and Futures Commission pursuant to the Ordinance. Accordingly, interests in the Funds may only be offered or sold in Hong Kong to persons who are “professional investors” as defined in the Ordinance and any rules made under the Ordinance or in circumstances which are permitted under the Companies Ordinance of Hong Kong and the Ordinance. Warning: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.*

*Notice to investors in Jersey: the Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 8(2) of the Control of Borrowing (Jersey) Order 1958, as amended, to the circulation of the offer herein contained by the Funds. It must be distinctly understood that, in giving this consent, the Jersey Financial Services Commission does not take any responsibility for the financial soundness of any of the Funds or for the correctness of any statements made, or opinions expressed, with regard to them. The Jersey Financial Services Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.*

*Notice to investors in South Africa: Collective Investment Schemes (CIS) are generally medium to long-term investments. The value of participatory interests or of an investment may go down as well as up, and past performance is not a reliable indicator of future results. The Investment Manager*

*provides no guarantee with respect to capital or any Orbis Fund's returns. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. CIS are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available on request from the Investment Manager. The Orbis Funds are priced weekly. Any Orbis Fund may be closed to new investments at any time in order to be managed in accordance with its mandate.*

*Notice to investors in Japan: the shares in the Orbis Funds have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) and, accordingly, none of the Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a "Japanese person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.*

*Notice to investors in Botswana: the Orbis Funds have been approved to market their Fund Shares to the public in Botswana by the Regulatory Authority of Botswana. However, none of the Orbis Funds are supervised or licensed in Botswana. Each of the Orbis Funds is established under the laws of Bermuda and is authorised by the Bermuda Monetary Authority. The Facilities Agent for these Funds in Botswana is Allan Gray (Botswana) (Proprietary) Limited, Plot 545354, 2nd Floor, Building 2, Central Square, New CBD, Gaborone, Botswana, where investors can obtain fund information and reports. In accordance with section 11(i) of the Botswana Income Tax act (Chapter 52: 01), an amount accrued to any person shall be deemed to have accrued from a source situated in Botswana where it has accrued to such person in respect of any investment made outside Botswana by a resident of Botswana; provided that section 11 (i) shall not apply to foreign investment income of non-citizens resident in Botswana. Botswana residents who have invested in the shares of the Fund are therefore required to declare income earned from this Fund when preparing their annual tax returns.*

*The contents of the Prospectus have been approved, and the publication thereof has been authorised, by the Board of Directors of each Fund to which the Prospectus relates.*

*By Order of the Board of Directors of each Orbis Fund, James J Dorr, Secretary.*

*June 2018*

## INTRODUCTION

The Orbis group of offshore mutual funds share a number of common features. For ease of reference, these features are explained in this document (and unless otherwise noted, the information that follows is common to all the Orbis Funds). Information specific to an Orbis Fund is set out in a separate Introductory Booklet for that Fund.

The “Prospectus” for an Orbis Fund consists of this General Information document and that Fund’s (i) Introductory Booklet, (ii) latest Report to Members, and (iii) latest audited financial statements. Each Orbis Fund’s Introductory Booklet sets out the following fund specific information:

- the investment policy (including the investment objective and investment approach),
- the investment restrictions, and
- the share classes offered by the Fund.

Subscriptions and switches for shares in an Orbis Fund are valid only if made on the basis of its Prospectus.

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## APPOINTMENTS

### THE DIRECTORS

Each Orbis Fund has Directors who are responsible for the management and control of the Fund and the determination of its investment policy. The Directors of each Fund are identified in the Introductory Booklet for that Fund.

### THE INVESTMENT MANAGERS

The Directors of each Orbis Fund have appointed a manager (the “Investment Manager”) to manage the investments of the Fund for an unlimited period subject to the Directors’ overall supervision, the regulations in the Bye-laws and the investment restrictions of the Fund. The Investment Manager appointed by an Orbis Fund is identified in the Introductory Booklet for that Fund, and is either:

**Orbis Investment Management Limited (“Orbis Bermuda”).** Orbis Bermuda was incorporated under the laws of Bermuda in 1989 and has a fully paid share capital of 500,000 shares having a par value of US\$1 each. Orbis Bermuda is licensed to conduct investment business by the Bermuda Monetary Authority.

**Orbis Investment Management (Guernsey) Limited (“Orbis Guernsey”).** Orbis Guernsey originally was incorporated as Orbis Investment Management (B.V.I.) Limited under the laws of the British Virgin Islands in 1997 and was continued to Guernsey on 1 May 2018, at which time its name was changed to Orbis Investment Management (Guernsey) Limited. Orbis Guernsey has a fully paid share capital of 50,000 shares having a par value of US\$1 each. Orbis Guernsey is licensed to conduct investment business by each of the Bermuda Monetary Authority and the Guernsey Financial Services Commission.

Orbis Bermuda also provides investment management and advisory services to clients other than the Orbis Funds, including Orbis Guernsey and the general partners of five Orbis US limited partnerships. Orbis Bermuda had a staff complement of approximately 75 at the end of 2016. The address of Orbis Bermuda and Orbis Guernsey is Orbis House, 25 Front Street, Hamilton HM 11, Bermuda. The directors and President of Orbis Bermuda are:

**Alexander Cutler** - Bachelor of Science (Honours) in Naval Architecture (U.S. Naval Academy), Master of Business Administration (Wharton - University of Pennsylvania), Chartered Financial Analyst. Mr. Cutler joined Orbis Bermuda in 2004 and is a director of each of Orbis Bermuda and Orbis Guernsey and a director of Orbis Holdings Limited. Prior to joining Orbis Bermuda, Mr. Cutler had 10 years’ experience at Brandywine Asset Management, Ltd, as an analyst, portfolio manager and managing director. There, he managed the Relative Value product, co-managed the Large Cap Value area, and co-managed the firm as a member of the firm’s Executive Committee.

**Graeme Forster** - Master of Arts (Honours) in Mathematics (University of Oxford), Master of Research in Applied Mathematics (University of York), Doctor of Philosophy in Mathematical Epidemiology and Economics (University of Cambridge), Chartered Financial Analyst. Mr. Forster joined Orbis in 2007 as a member of its London-based team of quantitative analysts. He moved to Orbis Bermuda in 2012 as a member of the investment team and has primary responsibility for the Orbis International Equity and Orbis Optimal strategies and is a director of Orbis Bermuda.

**Matthew Furr** - Bachelor of Science (Honours) and Master of Arts in Economics (Dalhousie University), Chartered Financial Analyst, Graduate Certificate in Enterprise Risk Management (New York University). Mr. Furr joined Orbis in January 2012 and currently serves as Global Risk Manager and a director of Orbis Bermuda. Prior to joining Orbis, his responsibilities included managing a

range of operational and investment activities for asset management and capital markets businesses. He has worked for Butterfield Asset Management, Nomura Securities, Tewksbury Capital Management and the Meditor Group.

**William Gray** - Bachelor of Commerce (University of Cape Town), Master of Business Administration (Harvard), Chartered Financial Analyst. Mr. Gray is the President of Orbis Bermuda, a director of Orbis Holdings Limited and the Chairman, President and a director of the Orbis Funds. From 1988 to 1991 he conducted investment research into global equities, stockmarkets and currencies for Orbis Investment Advisory Limited and for Orbis Bermuda's predecessor company in Hong Kong. Upon completing his MBA in 1993, he joined Orbis Bermuda to analyse North American securities.

**Darren Johnston** - Bachelor of Commerce (Mount Allison University), a Fellow of the Chartered Professional Accountants of Bermuda, U.S.A. Certified Public Accountant, Chartered Financial Analyst. Mr. Johnston joined Orbis Bermuda in January 2017 and currently serves as a director of Orbis Bermuda. Prior to joining Orbis, Mr. Johnston was the Chief Executive Officer of PricewaterhouseCoopers Caribbean Region Ltd. At the time of joining Orbis, he had over 27 years of experience in the professional services industry and has worked in Bermuda, the Caribbean and the U.S.A. Mr. Johnston was formerly a member of the Bermuda Government Audit Committee and has previously served as Deputy Chair of the Bermuda Monetary Authority and Chairman of the Bermuda Board of Education.

**Anne Marwick** - Bachelor of Arts (Honours) in Business Administration (Richard Ivey School of Business - Western University), Master of Business Administration (Kellogg - Northwestern University), Chartered Financial Analyst. Ms. Marwick joined Orbis in 2010 as a member of the global operations team and is a director of Orbis Bermuda. Prior to joining Orbis, she was a management consultant with Deloitte Consulting in Toronto, Canada where she worked on strategic and operational engagements for asset management and financial services firms.

**Garth Rempel** - Bachelor of Commerce (University of Calgary), Chartered Professional Accountant. Mr. Rempel joined Orbis in 2003. He leads the firm's Fund Operations team and is a director of Orbis Bermuda and Orbis Holdings Limited. He previously worked as Chief Financial Officer of Glenview Capital Limited, and before that at International Fund Administration and Ernst & Young.

The directors of Orbis Guernsey are Mr. Cutler, along with:

**James Dorr** - Bachelor of Science (Honours) and Juris Doctor (Queen's University), Master of Laws (University of Cambridge), Barrister and Solicitor. Mr. Dorr joined Orbis in 1998 and is the General Counsel of the Orbis Group, the General Counsel and Secretary of the Orbis Funds and a director of Orbis Guernsey. Prior to joining Orbis, he practised corporate securities law for nine years as a partner in the law firm Davies, Ward & Beck in Toronto, Canada.

**Adrian Harbour** - Master of Arts in Astrophysics (University of Cambridge). Mr. Harbour joined Orbis in 2008, originally serving as a European equities analyst in London, subsequently focusing on a variety of business and investment operations projects. Mr. Harbour moved home to Guernsey in 2016 and now acts as a consultant to Orbis and related parties and is a director of Orbis Guernsey. Prior to joining Orbis, he was an auditor at Deloitte & Touche LLP. Mr. Harbour is a Chartered Financial Analyst and Chartered Accountant.

## **THE SUB-PORTFOLIO MANAGERS**

Orbis Portfolio Management (Europe) LLP and Orbis Investment Management (Hong Kong) Limited have each agreed with the relevant Investment Manager to act in the capacity of a Sub-Portfolio Manager to an Orbis Fund (as specified below). In the capacity of Sub-Portfolio Manager, each of the companies provides, subject to the Investment Manager's control and supervision, investment decisions and advice with respect to a limited portion of the relevant Orbis Fund's portfolio. Such limitations may be defined by asset type, geographic region and/or the amount of assets in the portfolio.



Orbis Portfolio Management (Europe) LLP acts as a Sub-Portfolio Manager to the Orbis Global Equity Fund for investment decisions and advice for currencies. Orbis Portfolio Management (Europe) LLP is a United Kingdom limited liability partnership authorised and regulated by the UK Financial Conduct Authority. The address of Orbis Portfolio Management (Europe) LLP is 28 Dorset Square, London, NW1 6QG, United Kingdom.

Orbis Investment Management (Hong Kong) Limited acts as a Sub-Portfolio Manager to the Orbis Global Equity Fund for investment decisions and advice, primarily for emerging markets securities. Each Sub-Portfolio Manager is entitled to a sub-portfolio management fee paid by the relevant Investment Manager out of its own assets.

## **THE INVESTMENT ADVISORS**

The Investment Manager of each Fund has appointed one or more investment advisors (the “Investment Advisors”) for an unlimited period to research and recommend investments for the Fund. Each Investment Advisor is entitled to an advisory fee paid by the relevant Investment Manager out of the Investment Manager’s own assets. Orbis Guernsey has appointed Orbis Bermuda as its Investment Advisor. Orbis Bermuda has appointed Orbis Investment Advisory Limited, Orbis Portfolio Management (Europe) LLP and Orbis Investment Management (U.S.), LLC as its investment advisors.

## **THE CUSTODIAN**

None of the Investment Managers, the Sub-Portfolio Managers or Investment Advisors has access to the property of a Fund at any time. Instead, each Fund has appointed a custodian (the “Custodian”) to take into its custody or under its control all of the property of the Fund with power to appoint sub-custodians, nominees or agents. The Custodian for each Orbis Fund is Citibank N.A., New York Offices, 390 Greenwich Street, New York, New York 10013, U.S.A.

## **THE ADMINISTRATOR, REGISTRAR, TRANSFER AGENT AND ACCOUNTANT**

Each Fund has appointed Citibank Europe plc, Luxembourg Branch, 31, Z.A. Bourmicht, L-8070 Bertrange, Luxembourg as its administrator, registrar, transfer agent and accountant (the “Registrar”). The Registrar is responsible for issuing and redeeming shares and for controlling investors’ cash receipts and payments associated therewith, for maintaining the Register of Members and for keeping the accounts of the Fund and pricing its shares.

## **HOW TO TRANSACT IN FUND SHARES**

### **DEALING DAYS**

Fund Shares are normally subscribed for and redeemed as of 5:30 pm Bermuda time every Thursday (or in the event a Thursday is not a Business Day, then the immediately preceding Business Day), and/or such other days in addition thereto or substitution therefor as determined by the Investment Manager without notice. For each such day, referred to as a “Dealing Day”, a net asset value (“Net Asset Value”) per share is calculated on the basis described in “General Information – Determination of Net Asset Value per Share”. The determination of the Net Asset Value per share may be temporarily suspended in certain exceptional circumstances (see “General Information – Temporary Suspension in Exceptional Circumstances”).

The latest weekly Fund prices may be obtained from the Investment Manager by accessing the website [www.orbis.com](http://www.orbis.com) or by e-mail by registering with Orbis for its e-mail service on the Orbis website, as the case may be. The latest prices are also shown on the Reuters page “ORBIS” and on Bloomberg.

## **NEW INVESTORS WITH ORBIS**

First time investors with Orbis are required to open an investment account prior to transacting. Account opening is a four step process: (1) the completion of an Orbis account opening form, (2) supplying necessary anti-money laundering/anti-terrorist financing (“AML”) documentation (3) sending the Orbis account opening form and AML documentation to the Registrar, and (4) once the original documentation is received and approved the investor will receive written confirmation of their Orbis Client Identification Number which must be quoted in all future correspondence. After the investment account opening process is complete, eligible investors will be able to subscribe for shares as set out below under “How to Purchase Shares”.

Any investment in Fund Shares is subject to the terms and conditions contained in the Orbis account opening form. The Orbis account opening form is available at the website [www.orbis.com](http://www.orbis.com) or may be obtained from the Investment Manager.

## **HOW TO PURCHASE SHARES**

Investors who subscribe for shares in an Orbis Fund do not pay a “front end load” or “initial charge”. The total subscription amount is paid into the Fund and invested. In normal circumstances, investors subscribe for or sell shares in a Fund at the Net Asset Value per share. As an exception, to ensure that Members are not prejudiced by other investors frequently trading in Fund Shares, the Directors reserve the right to accept subscriptions from such investors subject to a redemption charge payable to the Fund if the shares are not held for a reasonable period of time. When determining the Net Asset Value per share, asset values may be subject to Fair Value Pricing Adjustments.

Subscriptions may be made either by submitting a Subscription Form to Citi or by submitting a subscription instruction via the website [www.orbis.com](http://www.orbis.com). Please note that either of the subscription methods may be available only to investors of certain countries and/or only to certain categories of investors. After the Orbis investment account opening process is complete, investors will be notified which subscription methods are available to them.

For subscriptions to be made by submitting a Subscription Form to Citi, subscribers for shares should send to Citi:

- (a) the duly completed Subscription Form issued by the Fund, and
- (b) payment for their investment (payment should not be sent to the Investment Manager).

In order for an application to be considered acceptable for subscription on a Dealing Day, a correctly completed Subscription Form together with the requisite payment confirmation must be received at Citi by 5:00 pm Bermuda time on that Dealing Day. Where acceptable applications are received later than this deadline, the shares are allotted based upon the Net Asset Value per share on the next Dealing Day.

The number of shares allotted to each subscriber for shares on a Dealing Day is determined by dividing the amount subscribed by the Net Asset Value per share of each such relevant Series or Class (as applicable) of shares calculated for that Dealing Day, provided that the Directors or their agent shall, at their discretion, fix a price for an initial issue of such shares (that is an issue of shares at a time when there are no shares of the relevant Series or Class in issue). Fractional shares are issued and truncated to four decimal places.

Applications will normally be processed only after Citi has received an original signed Subscription Form. However, applicants who have properly elected to communicate by electronic

communications may send their Subscription Forms by facsimile to the fax number indicated on the Subscription Form.

A Subscription Form is required for each subscription. The Subscription Form is normally included in the package of information provided to prospective investors. The Subscription Form may also be downloaded from the website [www.orbis.com](http://www.orbis.com) or obtained from the Investment Manager. Photocopies of the Subscription Form may be used.

For subscriptions to be made via the website [www.orbis.com](http://www.orbis.com), other than the need to submit a duly completed Subscription Form to Citi as described elsewhere in this section, all other procedures for purchasing shares in an Orbis Fund, including payment methods and timing, are the same for users of Orbis' online services. The use of Orbis' online services is subject to eligibility criteria and additional terms and conditions. Further instructions for use of Orbis' online services will be provided either at the time of opening an Orbis investment account or when the Member registers for Orbis' online services.

Payment is made by wiring funds that are received by Citi for value by the cut-off time specified in the Subscription Form. Citi must confirm receipt of acceptable form of payment by 5:00 pm Bermuda time on a Dealing Day (5:30 pm in the case of an application by another Orbis Fund) for the application to be accepted for subscription on that Dealing Day. Payment may also be made by authenticated SWIFT MT103 electronic bank transfer or guaranteed funds for value not more than five Business Days following the Dealing Day.

Subscription monies received, properly identified and cleared before a Dealing Day attract interest until the day immediately prior to the Dealing Day. The interest is added to the amount subscribed if the interest rate payable by Citi on deposits of this nature as of the date the monies are cleared is not less than 1.0% per annum. Interest earned on subscription monies on the Dealing Day accrues to the benefit of the Orbis Funds being subscribed to on that Dealing Day. Subscription monies may be tendered to Citi in any Eligible Currency. Subscription monies not tendered in the Reference Currency of a Fund or Unit Currency of a Class are converted into such currency at the prevailing exchange rate determined by Citi. When converting subscription monies, Citi is acting as the investor's agent and the conversion will be made at the risk of the investor. Similarly, subscription assets not tendered in the Reference Currency of a Fund or Unit Currency of a Class are valued in such currency at the prevailing exchange rate determined by the Custodian or achieved by the Fund. The valuation of subscription assets and the associated currency exchange rate risk will be borne by the investor. Payments for shares should be made net of all bank charges to the bank account published by Citi. The Eligible Currencies are euro, U.S. dollars, Canadian dollars, Australian dollars, British pounds, Japanese yen, Swiss francs and South African rand.

When a Member in an Orbis Fund converts shares in an Orbis Fund and uses the conversion proceeds to subscribe for shares of another Orbis Fund, or when an Orbis Fund subscribes for shares in another Orbis Fund, these subscriptions will be accepted on the basis of cleared funds received within 5 Business Days after the Dealing Day provided that the Subscription Forms are received by the cut-off time on the Dealing Day.

**Minimum Investment.** An investor must meet the applicable minimum initial subscription and (except in the case of a reinvestment of dividends) subsequent reinvestment requirements imposed by the acquired Class within the relevant Fund.

**Market Timing.** To minimise harm to the Orbis Funds and the Members, the Board of Directors have the right to reject any subscription, conversion or switch request, from any investor who is engaging in excessive trading or has a history of excessive trading or if an investor's trading, in the opinion of the Board of Directors, has been or may be disruptive to the Orbis Funds. In making this judgment, the Board of Directors may consider trading done in multiple accounts under common ownership or control. Neither the Board of Directors nor the Orbis Funds shall be held liable for any loss resulting from rejected orders.

**Anti-money Laundering Laws/Anti-terrorist Financing.** The Administrator will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to money laundering and terrorist financing. The policies of the Administrator will change from time to time

in response to changes in these laws, rules and regulations and the interpretation of them. Applicants may be required to furnish information and materials such as independent documentary evidence of their identity, a permanent address and information relating both to the source of the monies to be invested and to others who will have a direct or indirect beneficial ownership interest in the Shares. Failure to provide such information or documentation in a timely manner could result in a delay in the allotment of Shares, a refusal to allot Shares or a delay in the payment of redemption proceeds. In addition, the Directors may delay, defer or withhold the payment of the proceeds payable on the redemption or purchase of any Shares of any Member for such period of time as the Directors may determine, including permanently or to suspend the redemption rights of any Member if the Directors deem it necessary to do so to comply with any anti-money laundering and anti-terrorist financing laws or regulations, FATCA or any other laws or regulations applicable to the Funds or Citi. Neither the Funds nor the Directors shall be liable to any Member for any loss or damages arising as a result of the Directors exercising these powers.

If an investor is in doubt about the required documentation, the investor should contact Orbis or the Administrator.

**Substantial Subscriptions.** Where a Fund receives a subscription in an amount currently representing 5% or more of the Net Asset Value of the Fund calculated on the Dealing Day on which the subscription is processed before giving effect to the subscription (but after giving effect to any contributions in kind of securities on that Dealing Day), the Fund may, in its discretion, impose a levy on cash subscriptions, the amount of which is a percentage of the value of that cash subscription as stated in the Fund's Introductory Booklet. This levy (the "Substantial Subscription Levy") represents the Investment Manager's estimate of the fiscal and purchase charges and related market impact that would be incurred if the Fund were to increase its underlying investments pro rata to allow for the subscription. Switching from one Fund (the "First Fund") into another Fund (the "Second Fund") may give rise to the payment of a Substantial Redemption Levy (as defined below) to the First Fund and/or a Substantial Subscription Levy to the Second Fund. Where applicable, the currency exchange risk resulting from a switch will be borne by the investor.

In combination with or as an alternative to paying the Substantial Subscription Levy, the Fund may agree to issue shares as consideration for a contribution or transfer in kind of securities. Subject to the overall control and supervision by the Directors of the Fund, the Investment Manager will make all decisions regarding the imposition of a Substantial Subscription Levy and/or accepting contributions or transfers in kind of securities in accordance with that Investment Manager's published policy from time to time, copies of which may be obtained from the Investment Manager or downloaded from [www.orbis.com](http://www.orbis.com).

**Proviso.** Applicants for shares in a Fund should note that the shares are issued subject to the provisions of the Memorandum of Association and Bye-laws of the Fund and the terms of the Prospectus. The Directors may, at their absolute discretion, decline to accept an application to purchase shares for any reason. Notwithstanding the place where the Subscription Form is executed or the citizenship or residency of the Members of the Funds, the rights and obligations of the Members shall be governed by and construed in accordance with the laws of Bermuda. The courts of Bermuda shall have exclusive jurisdiction over any disputes Members may have relating to their shares of the Funds.

## REGISTRATION OF SHAREHOLDINGS

**Evidence of Transaction.** Normally, written confirmations of subscriptions or conversions will be sent to the Members or, where applicable, a relevant intermediary, on the first Business Day following the relevant Dealing Day. If a share certificate is requested, the Registrar will also dispatch such certificate to the applicant as soon as practicable, normally within five Business Days of the allotment of shares.

**Form of Shareholding.** All shares issued by a Fund are registered and may be either uncertificated (issued without certificates) or certificated (issued with certificates). Uncertificated shares offer the investor two advantages:

- (1) Members can receive redemption proceeds without having to wait until the Registrar has physically received and cancelled the share certificate, and
- (2) Members who require regular cash flow from their investments may arrange for the Registrar to regularly redeem sufficient uncertificated shares to make a specified fixed payment to them.

Members with certificated shares may exchange them for uncertificated shares (and vice versa) by surrendering the certificate, if any, and providing the Registrar with written instructions given under authorised signature. Unless specifically requested by a Member, share certificates will not be issued.

Members with certificated shares are advised to keep their certificates in safe custody. Shares may only be registered in the names of companies, partnerships, or individuals at least 18 years of age. Persons investing in a special capacity (for example as the parent or guardian of a person under 18 years old or as a trustee or executor) should register the investment in their own name or in that of a nominee.

**Joint Tenants.** Shares registered in the names of more than one individual will be treated as being owned by joint tenants. In such a case, for subscriptions made by submitting a Subscription Form to Citi, all the joint tenants must sign both the Subscription Form and any instructions to switch, transfer or redeem the shares, unless they deliver to the Registrar a properly executed power of attorney or joint mandate authorising and specifying an alternative basis of signing. The Registrar will provide a specimen power of attorney or joint mandate on request, without charge. In order to effect transactions via the website [www.orbis.com](http://www.orbis.com), joint holders must pre-authorise any one or more of the joint tenants to individually process any such instructions.

If a joint tenant dies, the remaining joint tenant(s) will be the only persons recognised as having any title to the relevant shares. Normally, the Registrar will re-register the shares and adjust its record of authorised signatories on receipt of the death certificate or a certified copy thereof.

**Registered Holders.** Persons (such as a trustee) with an investment registered in their own name but held on behalf of others may include, as part of their registered name, a reference to the capacity in which they are acting. However, the persons in whose name the shares are registered will be the only persons recognised under Bermuda law as the registered owners.

## HOW TO REDEEM OR TRANSFER SHARES

Members may, subject to the provisions set out below, redeem part or all of their shareholding on a Dealing Day at the Net Asset Value per share of the relevant Series or Class within the relevant Fund calculated for that Dealing Day provided the Registrar has received their completed instruction by 12 noon Bermuda time on that day (5:30 pm in the case of a redemption by another Orbis Fund). If a correctly detailed request for redemption is received after the applicable cut-off time on a Dealing Day, the redemption is effected on the following Dealing Day. When determining the Net Asset Value per share, asset values may be subject to Fair Value Pricing Adjustments.

Partial redemptions or transfers will be declined if they would cause the aggregate Net Asset Value of the shares held by a Member in a Class of shares within a Fund to fall below any minimum holdings requirement. This does not, of course, affect a Member's right to make redemptions or transfers in full. Normally, written confirmations of redemptions will be sent to the Members or, where applicable, a relevant intermediary, on the first Business Day following the relevant Dealing Day.

**The Redemption Form.** To facilitate redemptions, Members may use the Redemption Form that is included in the package of information provided to them. In addition, the Redemption Form may

be downloaded from the website [www.orbis.com](http://www.orbis.com) or obtained from the Investment Manager. Photocopies of the Redemption Form may be used.

Provided that the Member has properly elected to communicate by electronic communications, redemption instructions may be sent by facsimile and will only be accepted if sent to the fax number indicated on the Redemption Form. Citi will confirm receipt of instructions received by facsimile during normal business hours. Therefore if a Member does not receive a confirmation, the investor should contact Citi immediately to ensure that the Member's communication has not gone astray. The Member bears the risk of non-receipt of any instructions sent by facsimile.

In addition, Members who are eligible to process transactions via Orbis' online services may submit redemption instructions via the website [www.orbis.com](http://www.orbis.com) instead of submitting a Redemption Form directly to Citi. Other than the need to submit a duly completed Redemption Form to Citi as described elsewhere in this section, all other procedures for redeeming shares in an Orbis Fund, including timing, are the same for users of the online services. The use of Orbis' online services is subject to eligibility criteria and additional terms and conditions. Further instructions for use of Orbis' online services will be provided either at the time of opening an Orbis investment account or when the Member registers for Orbis' online services.

**Certificates.** Members with certificated shares must normally return their certificates (or at least certificates representing sufficient shares for the redemption desired) to Citi before the redemption request can be processed. However, if Members have properly elected to communicate by electronic communications and submit a copy of their certificates with their redemption request, the request will be processed. Redemption proceeds will be remitted only after the original certificates are received by Citi. Balance certificates are provided for Members making a partial redemption of certificated shares.

**Payment.** Redemption proceeds are paid in the Reference Currency of the relevant Fund or in the Unit Currency of the relevant Class, unless otherwise requested. Members should provide complete remittance instructions to enable their redemption proceeds to be paid by SWIFT/telegraphic transfer. The reasonable costs of any redemption payment made by SWIFT/telegraphic transfer will normally be borne by the Fund. Redemption proceeds not paid in the Reference Currency of a Fund or Unit Currency of a Class are converted at the prevailing exchange rate determined by the Custodian and the associated currency exchange rate risk will be borne by the investor. Payments are normally made within five Business Days after the relevant Dealing Day, as long as properly completed documentation has been received. This allows the Fund sufficient time to make arrangements to meet such payments. Payments could be delayed beyond five Business Days in the event of extenuating circumstances, such as markets being closed in a relevant jurisdiction during the five Business Days following the relevant Dealing Day.

Payments of the redemption proceeds will be made by SWIFT/telegraphic transfer to an account in the name of the Member indicated by the Member, at the Member's risk.

Where Members request redemption of 5% or more of the issued shares of a Fund, the Investment Manager may determine that all or part of the redemption proceeds be paid by transferring an appropriate portion of the property of the Fund to the redeeming Members or their nominees.

**Substantial Redemptions.** Where a Fund receives a redemption request in an amount currently representing 5% or more of the Net Asset Value of the Fund calculated on the Dealing Day on which the redemption is processed before giving effect to the redemption (but after giving effect to any redemptions in kind of securities on that Dealing Day), the Fund may, in its discretion, impose a levy on cash redemptions the amount of which is a percentage of the value of that cash redemption as stated in the Fund's Introductory Booklet. This levy (the "Substantial Redemption Levy") represents the Investment Manager's estimate of the fiscal and purchase charges and related

market impact that would be incurred if the Fund were to decrease its underlying investments pro rata to allow for the redemption. Switches from the First Fund into the Second Fund may give rise to the payment of a Substantial Redemption Levy to the First Fund and/or a Substantial Subscription Levy to the Second Fund. Where applicable, the currency exchange rate risk resulting from a switch will be borne by the investor.

In combination with or as an alternative to paying the Substantial Redemption Levy, the Fund and the redeeming Member may agree to a redemption in kind of securities. Subject to the overall control and supervision by the Directors of the Fund, the Investment Manager of the Fund will make all decisions regarding the imposition of a Substantial Redemption Levy and/or making redemptions in kind of securities in accordance with that Investment Manager's published policy from time to time, copies of which may be obtained from the Investment Manager or downloaded from [www.orbis.com](http://www.orbis.com).

**Transfers.** As an alternative to redeeming shares, a Member may transfer ownership to an acceptable investor by forwarding a completed transfer form to the Registrar. The transfer form may be downloaded from the website [www.orbis.com](http://www.orbis.com) or obtained from the Investment Manager. Photocopies of the transfer form may be used. Transferees who are new investors will have to comply with the requirements referred to above under "How to Transact in Fund Shares— New Investors with Orbis".

## HOW TO SWITCH FUNDS

Switches may be made either by submitting a Switch Form to the Registrar or by submitting a switch instruction via the website [www.orbis.com](http://www.orbis.com). Please note that either of the switch methods may be available only to investors of certain countries and/or only to certain categories of investors. After the Orbis investment account opening process is complete, investors will be notified which switch methods are available to them.

A Member may switch shares in one Orbis Fund for those in another on any Dealing Day provided the Registrar has received the Member's completed Switch Form by 12 noon Bermuda time (5:00 pm Bermuda time in the case of a switch into an Orbis Fund from an Orbis SICAV Fund). There is no charge for this service. Applications to switch Funds should be made by completing the Switch Form and sending it to the Registrar specifying the number or value of shares to be exchanged and the Orbis Fund or Funds selected for reinvestment.

For switch requests made by submitting switch instructions via the website [www.orbis.com](http://www.orbis.com), other than the need to submit a duly completed Switch Form to the Registrar, all other procedures for switches in an Orbis Fund as described elsewhere in this section, including timing, are the same for users of the online services. The use of Orbis' online services is subject to eligibility criteria and additional terms and conditions. Further instructions for use of Orbis' online services will be provided either at the time of opening an Orbis investment account or when the Member registers for Orbis' online services.

The Investment Manager may, in its discretion and at the request of the Member, agree to effect a switch of shares through a direct transfer in-kind of securities from the First Fund as consideration for the issue of shares in the Second Fund, in compliance with the conditions set forth by Bermuda law, provided that such securities comply with the investment objectives and policies of the Second Fund. The Member would at no time throughout the switch receive, or have the right to receive, such securities. No costs incurred in connection with such a switch shall be borne by the Fund.

The Directors may decline a switch between Orbis Funds for any reason—for example, if the Orbis Fund being acquired is closed to new investment. Any partial exchange that would cause a Member to have an investment of less than the required minimum investment amount in any Class of shares

will be declined. Any exchange of an entire holding that would cause a Member to have an investment of less than the required minimum investment for the Class of shares being acquired will be permitted. If the Directors believe that the interests of Members in general may be prejudiced because a Member is switching frequently, they may impose a charge on future switches by such Member. Where applicable, the currency exchange rate risk resulting from a conversion will be borne by the investor.

## TAXATION AND EXCHANGE CONTROL

*The following comments are based on advice received by the Funds regarding current law and practice in Bermuda and are intended to assist investors. Investors should appreciate that, as a result of changing law or practice or unfulfilled expectations as to how the Funds or their investors will be regarded by revenue authorities in different jurisdictions, taxation consequences for investors may be otherwise than as stated in this section. Investors should consult their own professional advisors on the possible tax consequences of their transacting in or holding shares of the Funds under the laws of their countries of citizenship, residence or domicile.*

There are no Bermuda income, corporation, or profits taxes, withholding taxes, capital gains taxes, capital transfer taxes, estate or stamp duty or inheritance taxes payable by the Funds or their Members in respect of shares in the Funds. The Bermuda Government has undertaken that in the event that any income, profit, capital, capital gains, estate or inheritance taxes are levied in Bermuda in the future, the Funds and their shares will be exempt from such taxes until 31 March 2035.

The central management and control and the day-to-day management of the Funds are undertaken in Bermuda. It is intended that the Funds will not operate in such a manner as to be engaged in a trade or business, directly or through a branch or agency, in any other jurisdiction. Accordingly, the Directors do not expect the Funds to be subject to material amounts of foreign taxation other than withholding and capital gains taxes on certain investment income.

The Funds may be subject to withholding tax on dividends, interest and gains received from investments in issuers domiciled in jurisdictions outside Bermuda. In such cases, tax is primarily withheld at source and charged at varying rates. The Funds may also be liable to pay securities transfer taxes in various jurisdictions.

Because each Orbis Fund is designated as non-resident in Bermuda for exchange control purposes, each such Fund is not subject to exchange control in Bermuda.

### TAX REPORTING REGIMES

*The following is a general description of the tax reporting regimes currently applicable to the Orbis Funds. Each of these regimes is extremely complex, and Members and beneficial holders are urged to consult their own tax advisors to obtain a more detailed explanation of the applicable rules, and to learn how they might affect the Orbis Funds and Members or beneficial holders in their particular circumstances. (See "Risk Warnings" regarding FATCA and Other Tax Reporting Regimes.)*

**U.S. Foreign Account Tax Compliance Provisions (FATCA).** The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act ("FATCA") are generally designed to establish a new reporting regime in respect of the direct and indirect ownership of non-U.S. accounts by U.S. persons. Under FATCA, each Orbis Fund is classified as a "foreign financial institution" (an "FFI"). Each Orbis Fund currently intends to qualify as a Registered Deemed-Compliant FFI (as defined in FATCA) for all FATCA purposes.

As an FFI, each Orbis Fund has registered, as required, with the U.S. Internal Revenue Service (the "IRS"). As a condition of registration, each Orbis Fund agreed to comply with the terms of an agreement with the IRS (a "FATCA Agreement"), under which each Orbis Fund may be required to



obtain information about its Members (and, in some cases, beneficial holders) and to disclose information to the IRS about its Members (and, in some cases, beneficial holders).

As an FFI under the FATCA rules, from 1 July 2014, each Orbis Fund would have been subject to withholding tax at a rate of 30% on payments of U.S. source income, as well as (from 1 January 2017) gross proceeds from the sale of assets that produce U.S. source income, if each Orbis Fund had not registered with the IRS and agreed to comply with the terms of a FATCA Agreement.

**The OECD Common Reporting Standard.** The Organization for Economic Cooperation and Development (the “OECD”) has proposed rules for the Automatic Exchange of Information in Tax Matters, which provides due diligence and reporting rules for financial institutions in participating jurisdictions. Together, these rules comprise the “Common Reporting Standard”, or “CRS”. The CRS, which is based in large part on the U.S. FATCA rules, provides a uniform set of guidelines that addresses (i) the types of information to be exchanged by participating jurisdictions, (ii) the time and manner of exchange and (iii) the confidentiality of data and safeguards that must be respected. Financial institutions in a participating jurisdiction that adopts these rules will need to file annual information reports with their local tax authorities, which authorities will then exchange that information with the tax authorities in other participating jurisdictions. Each of the Orbis Funds qualifies as a financial institution subject to CRS.

The CRS went into effect on 1 January 2016 for countries on the “early adopters” list and the first information reports are expected to be exchanged in 2017. Since Bermuda was amongst the early adopters, the Orbis Funds have been subject to the CRS rules from that date. In consequence, the Orbis Funds may be required to disclose to the applicable tax authorities account information about any Members (and in some cases, beneficial holders) that are tax-resident in another participating jurisdiction. This information may also be forwarded to the tax authorities in any jurisdiction in which a Member is tax-resident.

**United Kingdom – Bermuda Intergovernmental Agreement.** Bermuda has signed an agreement with the UK (the “UK-Bermuda IGA”), under which the Orbis Funds may be required to disclose to UK HM Revenue & Customs (“HMRC”) information about certain Members (and, in some cases, beneficial holders) that are considered to be UK tax-resident under the UK Bermuda IGA. The UK-Bermuda IGA will cease to apply independently from the CRS from 2017.

**Information Regarding Tax.** As a condition to opening an account with an Orbis Fund, all Members will be required to consent to the disclosure and reporting of certain account information under FATCA, CRS and the UK – Bermuda IGA. As a result, Members (and, in some cases, beneficial holders) will be required to provide any information that the Orbis Funds determine is necessary to allow the Orbis Funds to comply with their obligations under these regimes. Failure to provide this information or consent to the required disclosure and reporting could result in incorrect or double reporting and violation by the Orbis Funds of applicable laws, and could adversely impact a Member’s ability to transact in the Orbis Funds. For existing investors that fail to provide this consent, certain aggregate account information may be required to be reported to the applicable tax authorities, together with information about other non-consenting accounts.

## **UNITED KINGDOM REPORTING FUND STATUS**

HMRC has, with the exception of the Refundable Reserve Fee Share Classes of the Orbis Japan Equity (US\$) Fund, approved each of the Funds as a Reporting Fund effective from 1 January 2011. Prior to that date and from their inception, each of the Funds had received certification as a distributing fund from HMRC (“Distributor Status”).

As Reporting Funds, investors will no longer receive annual distributions from the Funds and UK investors may be liable to tax annually on their share of Fund income, without receiving a

distribution of that income from the Fund. Within six months of their respective year-ends, the Funds will make available, on the website [www.orbis.com](http://www.orbis.com), a report providing relevant fund income information for UK investors' tax purposes.

Unlike Distributor Status, which was subject to a retrospective application and certification process at the end of each year, a Fund will continue to qualify as a Reporting Fund unless and until it fails to comply with the relevant requirements. The Directors intend to manage the Funds in such a way that under existing UK legislation they should continue to qualify as Reporting Funds. However, there can be no assurance that a Fund will continue to qualify as a Reporting Fund.

## **EUROPEAN UNION SAVINGS DIRECTIVE AND DIRECTIVE ON ADMINISTRATIVE COOPERATION**

The European Union Savings Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments was repealed in November 2015, as a consequence of the adoption in December 2015 of the EU Directive on Administrative Cooperation 2014/107/EU. The EU Directive on Administrative Cooperation expands the scope of information subject to automatic exchange between EU Member States to include not only interest income, but also dividends and other types of capital income, as well as the annual balance of the accounts producing such income.

The Orbis Funds believe that all of the Orbis Funds are exempt from the application of the EU Directive on Administrative Cooperation.

## **DIVIDENDS**

Dividends from a Fund will be automatically reinvested in additional shares of the same Class or Series of that Fund at their Net Asset Value per share unless a Member requests in writing that any dividends be paid to the Member.

Members who require a regular cash flow from their investment may give a standing instruction to the Registrar to make a specified payment to them on a periodic basis by selling sufficient of their shares at the Net Asset Value per share to raise the amount required. This facility is available only in respect of uncertificated shares.

## **GENERAL INFORMATION**

### **CONSTITUTION**

The constitution of each Fund company comprises its Memorandum of Association and Bye-laws. The Memorandum of Association sets out the objects of the Fund, which includes the conduct of business as described in the Prospectus. The Bye-laws set out the internal regulations in terms of which the Directors are required to manage the Fund. Copies of the Memorandum of Association and the Bye-laws are available for inspection at the Bermuda office of the Funds.

### **SHARE STRUCTURE AND VOTING RIGHTS**

Each Fund company is established as a limited liability company of unlimited duration under the laws of Bermuda. The authorised share capital of each Fund comprises Fund Shares and Founders' Shares. The Fund Shares may be issued in one or more Class of shares or Series of shares within a Class, as the Directors may from time to time determine. See the notes to the most recent audited financial statements of a Fund for the par value of each share and number of authorised shares of that Fund.

All Members in the Investor Share Class hold Fund Shares in the same Class. Members in any Refundable Reserve Fee Share Class are usually issued Fund Shares in an individual Series within a Class, except in certain limited circumstances. A separate Class of Fund Shares (the “Fee Reserve Shares”) will be issued to the Investment Manager in respect of all of the Refundable Fee Reserves of a Fund.

On any Dealing Day, the shares of a Series may be converted, at the discretion of the Directors, into shares of another Series in the same Class. Where permissible, for administrative ease, the Directors may convert an outstanding Series so as to reduce the number of Series held by a Member. There will be no change in the aggregate Net Asset Value of a Member’s investments due to the conversion of the Members’ Series of shares into another Series of shares, although a different number of shares in a different Series may be owned by the Member.

The Directors may establish and maintain funds in respect of one or more Classes and Series of Fund Shares and within which all assets and liabilities attributable to the relevant Class or Series of Fund Shares shall be held.

**Fund Shares.** Fund Shares participate pro rata in the assets of the Fund on winding up or dissolution, subject to the prior satisfaction of any liabilities of the Fund. Except as provided by law, the Fund Shares are non-voting, but holders of Fund Shares are entitled to receive notice of and attend and address all Annual and Special General Meetings of Members of the Fund. The rights attached to the Class of Fund Shares may be amended with the consent in writing of the holders of not less than three-quarters of the relevant Class of issued Fund Shares or by resolution passed by three-quarters of the votes cast at a separate class meeting of holders of Fund Shares. For purposes of such a vote, all Series within the same Class shall vote together as a single share class. Other companies related to or controlled by the Investment Manager may hold more than three-quarters of the issued Fund Shares of a Fund.

**Fee Reserve Shares.** On winding up or dissolution, each class of Fee Reserve Shares participates pro rata in the assets of the Fund, subject to the prior satisfaction of any liabilities of the Fund. Except as provided by law, the Fee Reserve Shares are non-voting. The obligation of the Fund to issue a Class of Fee Reserve Shares and the terms of issue and redemption rights in favour of the Fund and the holder are set forth in the description in this Prospectus of the Share Classes that may be offered by the Fund or the subscription document pertaining to the Class of Fee Reserve Shares. The rights attached to the Fee Reserve Shares in a Fund may be amended with the consent in writing of the holders of not less than three-quarters of the class of Fee Reserve Shares or by resolution passed by three-quarters of the votes cast at a separate class meeting of holders of Fee Reserve Shares.

**Founders’ Shares.** The Founders’ Shares of a Fund do not participate in the assets attributable to the Fund Shares of the Fund, do not receive dividends, can participate in a winding up only to the extent of their par value, and may not be redeemed unless all other shares in the Fund have been redeemed, and then only at their par value. Each of the Founders’ Shares carries the right to one vote. All of the authorised Founders’ Shares of each Fund have been issued as fully paid and are held by Orbis Holdings Limited, which is ultimately controlled by Allan & Gill Gray Foundation. Orbis Holdings Limited is the sole shareholder of each of Orbis Bermuda and Orbis Guernsey.

## **MEETINGS AND NOTICES**

Each Fund holds an Annual General Meeting with the date and venue determined by the Directors. All Members are invited to attend and address the Annual and any Special General Meetings. A notice convening the Annual General Meeting of the Fund is sent to its Members at least twenty-one days before the date fixed for the meeting. Members of the Fund will also receive notice in respect of a Special General Meeting of the Fund. All notices to Members are in writing and are sent to Members of the Fund in accordance with Bermuda law and the Bye-Laws of the Fund.

## ACCOUNTING AND PERFORMANCE REPORTS

The Orbis Funds issue an annual report to Members, together with audited financial statements drawn up to 31 December each year. The annual report and the audited financial statements of the Orbis Funds are usually promptly made available to Members following the year-end and also may be downloaded from the website [www.orbis.com](http://www.orbis.com) or obtained from the Investment Manager.

Each Fund's financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The U.S. dollar is used as the Reference Currency in preparing the financial statements of the Orbis Global Equity Fund, the Orbis Japan Equity (US\$) Fund and the Orbis Optimal US\$ Fund, in pricing their shares, and in appraising their performance in Reports to Members. Correspondingly, the euro is the Reference Currency of the Orbis Optimal Euro Fund and the Japanese yen is the Reference Currency of the Orbis Optimal Yen Fund, and financial statements for Orbis Optimal Overlay Funds Limited are prepared in euro. Performance statistics calculated in various other major currencies are available on request.

## DETERMINATION OF NET ASSET VALUE PER SHARE

The Net Asset Value per share of each class of Fund Shares is normally determined in its Unit Currency by the Registrar as of 5:30 pm Bermuda time on (i) each Fund's Dealing Days, (ii) the last day of each calendar month, and/or (iii) such other days in addition thereto or substitution therefor as determined by the Investment Manager without notice (a "Valuation Day" and in the event such day is not a Business Day, then the immediately preceding Business Day). This calculation is made by dividing the value of the net assets of the Fund attributable to each Class or Series (as appropriate) by the number of Shares in issue of the Class or Series (as appropriate), all determined as indicated in this section. The Investment Manager may select another valuation time on a Valuation Day if the Investment Manager determines that it would produce a more representative fair market value. Any certification of the Net Asset Value per share given in good faith by or on behalf of the Directors is binding on all parties.

Each Fund's assets are valued primarily on the basis of closing market quotations or official closing prices on each Valuation Day. If closing market quotations or official closing prices are not readily available or do not accurately reflect the fair value of a Fund asset or if the value of a Fund asset has been materially affected by events occurring before a Fund's pricing time but after the close of the exchange or market on which the asset is principally traded, that asset will be valued by another method that the Board of Directors believes accurately reflects fair value in accordance with the Board's fair value pricing policies. For example, arbitrage opportunities may exist when trading in a portfolio security is halted and does not resume before the Net Asset Value for a Fund is calculated. These arbitrage opportunities may enable transacting investors to dilute the Net Asset Value of other investors in the Fund. Trading in overseas markets presents time zone arbitrage opportunities when events affecting asset values occur after the close of the overseas market but prior to the Fund's pricing time. These events may trigger an adjustment to the asset values used in calculating the Net Asset Value for that Dealing Day. An asset's valuation may differ depending on the method used for determining value.

The net assets of the Fund comprise the aggregate of:

- (1) shares and other investments owned or contracted to be acquired,
- (2) cash on hand or on deposit including accrued interest,
- (3) bills and demand notes and amounts receivable including net amounts receivable in respect of investments contracted to be realised,
- (4) interest accrued on interest bearing investments except that accrued on securities which is included in the quoted price, and

- (5) other property and assets of any kind and nature, including prepaid expenses, as valued and defined from time to time by the Directors,

from which is deducted (where appropriate, liabilities being deemed to accrue on a day-to-day basis):

- (6) shares and other investments contracted to be sold,
- (7) bills and accounts payable or accrued,
- (8) management and administrative expenses payable or accrued,
- (9) the total acquisition consideration of investments or other property contracted to be purchased,
- (10) reserves authorised or approved by the Directors for duties and charges or taxes or contingencies,
- (11) the aggregate amount of any borrowings and any interest, commitment fees and other charges arising in connection therewith, and
- (12) other liabilities of whatsoever nature including outstanding payments on any shares previously redeemed, and contingent liabilities, if any, being valued in such manner as the Directors may determine from time to time or in any particular case.

For the purpose of calculating the number of shares in issue or deemed to be in issue on a Valuation Day, shares to be issued on a Valuation Day are deemed not to be in issue until the following day, and shares to be redeemed on a Valuation Day are deemed to remain in issue until the following day.

For the purpose of calculating the value of the net assets of each Fund on a Valuation Day:

- (1) in the case of an investment in shares of another Orbis Fund, the value of the shares is generally the net asset value per share based on closing prices without Fair Value Pricing Adjustments or, if applicable, the published redemption price or value of that Fund as determined for the same Valuation Day,
- (2) in the case of an equity or another security not specifically provided for in this section, the value is the closing price at the time of valuation on the Valuation Day, normally on the principal market for such security,
- (3) in the case of an investment in shares of a private holding company, the value of the shares shall be determined on a pro rata basis by “looking through” to the value of the underlying assets and liabilities of that company,
- (4) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received is deemed to be the full amount thereof unless the Investment Manager considers that it is not worth this full amount, in which event a value determined by the Investment Manager is used,
- (5) the value of a margined contract, other than a written option, is:
  - (i) in a case in which the margin would be received by the Fund - the amount of margin which would be receivable if the contract were closed out at that time, or
  - (ii) in a case in which the margin would be payable out of the property of the Fund - a negative amount equal to the amount of margin which would be payable if the contract were closed out at that time,

in either case using the best terms then available on an options and futures market on which contracts of that kind are traded. If no price is available, the value used is a reasonable

estimate of the amount that would be received by a seller by way of consideration for an immediate transfer or assignment at arm's length,

- (6) the value of an option written by a Fund on property of any description is the amount which would be paid if an option of that kind on property of that description were purchased at the relevant time on the best terms then available on an options and futures market on which such options are traded,
- (7) any values (whether of securities or cash) other than in a Fund's Reference Currency are converted into that currency at rates which the Investment Manager in its absolute discretion deems appropriate to the circumstances, and
- (8) any subscription monies received for which shares have not yet been allotted are not included in the net assets. Correspondingly, where shares for which redemption instructions have been received are deemed to remain in issue, the corresponding net assets continue to be included in the net assets.

It should be noted that the Directors and the Investment Manager have delegated their discretion outlined above to the Registrar on a day-to-day basis. However, the Investment Manager reviews the Net Asset Value calculation and the Directors review the financial statements on a quarterly basis.

## **TEMPORARY SUSPENSION IN EXCEPTIONAL CIRCUMSTANCES**

The Bye-laws of each Fund provide that the Directors may suspend the determination of the Net Asset Value per share for the whole or any part of a period:

- (1) during which trading is restricted, closed or suspended (other than a weekend or holiday) on any stockmarket, stock quotation system or over-the-counter market on which investments representing more than 5% of the net assets of the Fund are listed, quoted or traded,
- (2) when circumstances exist such that, in the opinion of the Investment Manager, it is not reasonably practicable for the Fund to dispose of its investments, or any such disposal would be materially prejudicial to Members,
- (3) when a breakdown occurs in any of the means normally used to ascertain the value of investments or when, for any other reason, the value of any investments or other assets or liabilities of the Fund cannot reasonably or fairly be ascertained, or
- (4) during which the Fund is unable to repatriate funds required for the purpose of making payments due on redemption of shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemptions of shares cannot in the opinion of the Investment Manager be effected at normal rates of exchange.

Redemptions in kind may still be effected if there is a temporary suspension. Members wishing to take advantage of this should provide a redemption notice in the usual form together with a bank guaranteed cheque in the amount of their pro rata share of the Fund's liabilities and a letter of credit to cover their pro rata share of any contingent liabilities. This will enable the Registrar to distribute to them a pro rata share of the Fund's assets.

If the Directors declare a temporary suspension they will give notice on the website [www.orbis.com](http://www.orbis.com) and, as soon as practicable, use their best endeavours to advertise the suspension in The Financial Times of London and in any other newspapers they may think appropriate. At the end of the period of suspension the Directors will again give notice on the website [www.orbis.com](http://www.orbis.com) and arrange for an advertisement to appear in such newspapers, indicating that the suspension has ended.

## AUDITORS' PERMISSION

The Auditors have given and have not withdrawn their written consent to the inclusion of their name and their report in the Prospectus in the form and context in which they are included.

## STOCK EXCHANGE LISTING

The shares of each Fund are, or may be, listed on the Bermuda Stock Exchange, a member of the World Federation of Exchanges.

## TRADE ALLOCATIONS AND BROKERAGE COMMISSIONS

Subject to each Fund's overall control and supervision, Orbis Bermuda is primarily responsible for the execution of each Fund's investment transactions and the allocation of the brokerage commissions. The Funds have no obligation to deal with any broker or group of brokers in the execution of transactions in portfolio securities. Such transactions may be subject to a commission or dealer mark-up which may not be the lowest commission or spread available.

In addition, trade execution for certain African securities may be performed by Allan Gray International Proprietary Limited, in accordance with its own policies and procedures, upon instructions from Orbis Bermuda. Due to the nature of some African markets, the choice of brokers available may be more limited.

Orbis Bermuda will determine, as appropriate, the broker-dealers (collectively "Brokers") to be used for each Fund's securities, foreign exchange and futures transactions. Orbis Bermuda will have complete discretion in deciding which Brokers the Funds will use and in negotiating their commission rates. Orbis Bermuda will not adhere to any rigid formulas in selecting Brokers, but will weigh a combination of factors. In selecting Brokers and negotiating commission rates, Orbis Bermuda may take into account the Broker's facilities, reliability, financial responsibility, costs of products or services, and responsiveness to the Managers. Further, Orbis Bermuda may consider the value of the products and services described below, either provided by the Broker or paid for by the Broker (either by cash payments or by commissions) and provided by others (collectively, "Products and Services"). A Broker will not be excluded from receiving brokerage business because it does not provide Products and Services. In selecting Brokers to execute transactions, Orbis Bermuda will not be obligated to seek the lowest available "execution only" commission cost. Thus, the Funds might be deemed to pay for Products and Services provided by the Broker that would be included in the commission rate. Accordingly, if Orbis Bermuda determines in good faith that the amount of commissions charged by a Broker is reasonable in relation to the value of the brokerage services and other Products or Services provided by such Broker, the Funds may pay commissions to that Broker that are greater than the amount another Broker may charge.

The use of commissions to pay for Products and Services will be limited to items within the safe harbour of Section 28(e) of the U.S. Securities Exchange Act of 1934. Orbis has adopted a policy of refusing any "soft dollar" credits from Brokers for the payment of third party non-brokerage and research services. The Products and Services Orbis Bermuda may consider in selecting a Broker are as follows:

- *Brokerage:* Brokerage may include, among other things, clearing, order routing and settlement services.
- *Research, research products and research services:* Research may include, among other things, proprietary research from Brokers, which may be written, oral or on-line. Research products may include, among other things, computer databases, to access research or which provide research directly. Research services may include, among other things,

research concerning market, economic and financial data; statistical information; data on pricing and availability of securities; specialised financial publications; electronic market quotations; performance measurement services and commodities; analyses concerning specific securities, companies or sectors; and market, economic and financial studies and forecasts.

Orbis Bermuda has no fixed internal brokerage allocation procedures designating specific percentages of brokerage commissions to particular firms. In exchange for the direction of commission dollars to certain Brokers, credits may be generated that may be used by Orbis Bermuda or its affiliates to obtain the Products and Services provided or paid for by such Brokers. To the extent that such credits are generated or such Products and Services are obtained, the Funds and Orbis Bermuda and/or Orbis Bermuda's affiliates will be receiving a benefit by reason of the direction of commissions.

The Products and Services to be received from the Brokers also may be used by Orbis Bermuda and/or its affiliates in servicing other fund accounts, as well as for the Funds. In addition, some Products and Services may not necessarily be used by a Fund even though its commission dollars provided for the Products and Services. A Fund, therefore, may not, in a particular instance, be the direct or indirect beneficiary of the Products or Services provided. Nonetheless, Orbis Bermuda believes that under such circumstances the Products or Services would provide the Funds with benefits by, at least, supplementing the research otherwise available to the Funds.

When executing a transaction in a security on behalf of a Fund, it can be aggregated and the aggregated transaction fulfilled with multiple trades. Trades aggregated with orders for other Funds result in the need to allocate those trades. The ease with which Orbis Investment Management Limited can allocate trades to a Fund can be limited by the sizes and prices of those trades relative to the sizes of the instructed transactions for the Funds. A process of allocation can result in a Fund not receiving the whole benefit of the best priced trade. Orbis Investment Management Limited manages this conflict by following an Order Allocation Policy, which is designed to ensure the fair treatment of all Funds over time.

Securities held by a Fund also may be held by another Fund or by other Funds or investment advisory clients for which Orbis Bermuda and/or its affiliates (including Allan Gray International Proprietary Limited) act as adviser. Securities may be held by, or be an appropriate investment for, a Fund as well as other clients of Orbis Bermuda and/or its affiliates (including Allan Gray International Proprietary Limited). Because of different objectives or other factors, a particular security may be bought for one or more such clients when one or more other clients are selling the same security. If purchases or sales of securities for a Fund or other clients for which Orbis Bermuda and/or any of its affiliates (including Allan Gray International Proprietary Limited) act as investment manager or adviser arise for consideration at or about the same time, transactions in such securities will be made, insofar as feasible, for the respective Funds and clients in a manner deemed equitable to all. There may be circumstances when purchases or sales of Fund securities for one or more clients have an adverse effect on other clients. Orbis Investment Management Limited reduces this risk by limiting the volume of the same security which may be traded in opposite directions on the same dealing day. When handling multiple orders for the same security on the same dealing day, Orbis Investment Management Limited may 'cross' trades by matching opposing flows to seek to obtain best execution. When crossing orders, it is possible that the execution may not result in best execution for a Fund, for example, where a trade did not constitute a fair and reasonable price. Orbis Investment Management Limited reduces this risk by implementing a Crossing Policy.

One or more Funds may be restricted in its or their investment activities due to ownership threshold limits and reporting obligations in certain jurisdictions applying in aggregate to the Funds managed by Orbis Investment Management Limited or its affiliates. Such restrictions may adversely impact clients through missed investment opportunities. Although it is not specifically designed to address



those ownership limits and obligations, the Order Allocation Policy mitigates the associated conflict by seeking to allocate limited investment opportunities among Funds fairly and equitably over time.

## **DIRECTORS' AND OTHER CONFLICTS OF INTEREST**

The Directors and/or officers of each Fund may be directors and/or officers of other funds managed by members of the Orbis Group (including any that invest in the Funds), an Investment Manager, a Sub-Portfolio Manager and/or an Investment Advisor. There are no existing or proposed service contracts between any of the Directors and the Funds. Directors are expected to act in the best interest of the Fund when undertaking their director duties relating to that Fund, to disclose any conflicts and to recuse themselves from decisions when the conflict warrants.

See the notes to the most recent audited financial statements of a Fund for a description of the holdings of related parties in the Fund Shares of that Fund.

The Investment Managers, the Sub-Portfolio Managers, the Investment Advisors and their affiliates, directors, officers and shareholders (collectively, the "Orbis Group") are involved in other financial investment and management activities, including managing and advising the Orbis Group and other clients, dealing in securities in which a Fund may invest for the Orbis Group's own account and on behalf of others and providing seed capital to one or more funds managed by a member of the Orbis Group.

The Orbis Group has a Managing Conflicts of Interest policy. Policies and procedures established by Orbis to prevent or manage conflicts, such as the Managing Conflicts of Interest Policy, Order Allocation Policy, Crossing Policy and Personal Account Trading Policy, may not be sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of one or more Orbis Funds will be eliminated.

Orbis Group employees may have relationships with employees of investors in one or more funds managed by a member of the Orbis Group, employees of companies in which one or more funds managed by the Orbis Group invest or other individuals whose interests conflict with those of a Fund. Such an employee's relationship could influence the employee's decision-making at the expense of the Funds' interests. The Orbis Group Managing Conflicts of Interest Policy requires employees to report all potential conflicts. These are reviewed by the members of the Orbis Group compliance team which, when it is considered necessary, implements controls to mitigate the risk.

Orbis Group employees may be exposed to investment information of a fund managed by a member of the Orbis Group while also being able to trade through personal accounts. There is a risk that, if an employee could place a trade of sufficient size, this would adversely affect the price at which a Fund transacts. The Orbis Group has implemented a Personal Account Trading Policy which requires that employee trading in relevant securities must be pre-approved.

Investments in one or more Funds by related parties to an Orbis Fund or by other clients could create an incentive for the Investment Manager to favour those Funds or clients over others. On any given Dealing Day, related parties to an Orbis Fund may be subscribing for or redeeming Shares of a Fund, or may cause another fund managed by a member of the Orbis Group to subscribe or redeem shares of that Fund. In so doing, the related party may have access to information pertaining to a Fund or its Members not available to all Members, which could result in an advantage for those parties. Such transactions may offset all or some of the subscriptions or redemptions to the Fund by unrelated parties on that day. All such transactions are made at the prevailing Net Asset Value per Share of the relevant Class of the Fund.

Some funds managed by members of the Orbis Group may bear management fees different from those applicable to the Funds. Orbis Group members or related parties may receive payments from

an Investment Manager and/or Allan Gray Proprietary Limited and/or its affiliates for services related to the distribution of one or more Funds or financial products offered by Allan Gray Proprietary Limited and/or its affiliates. These activities may on occasion create a conflict of interest between the Orbis Group's management of one or more Funds and other roles undertaken by members of the Orbis Group, including an incentive to favour one fund or client over another. Each member of the Orbis Group will use reasonable efforts to ensure that in undertaking its various duties, any conflicts which arise will be resolved fairly and in the interests of each Fund, to the extent it is practical to so do while having regard to its other obligations, including those to other clients and funds managed by members of the Orbis Group. The Orbis Group follows policies and procedures designed to ensure that conflicts are managed in a manner fair to all parties to whom duties are owed. However, situations may arise where those policies and procedures are not sufficient to prevent actions adverse to the interests of one or more Funds.

From time to time, a Fund may, in the ordinary course of business, invest in (i) securities issued by investors in the Fund or other funds within the Orbis Group or securities of issuers that are managed, advised or controlled by the Orbis Group or (ii) other funds that invest in securities of issuers that are managed, advised or controlled by the Orbis Group. These investments may include investments made for the purpose of seeding newly-launched Orbis Funds, where the new fund is otherwise regarded as an appropriate investment, having regard to the interests of Members. From time to time, securities of or being dealt in by the members of the Orbis Group or their clients (each a "Connected Party") may, in the ordinary course of business, be purchased or sold by another Connected Party. All such purchases and sales may be made only at prevailing market prices and must be disclosed to the directors of any Funds involved.

All of the voting shares of the Orbis Funds are held by Orbis Holdings Limited, which is ultimately controlled by Allan & Gill Gray Foundation. Orbis Holdings Limited is the sole shareholder of each of Orbis Bermuda and Orbis Guernsey. In voting these shares of each Orbis Fund, Orbis will seek to minimise any conflict of interest presented and, to the extent practical to do so, have regard for the best interests of the Fund.

Orbis has certain responsibilities with respect to valuing securities (see "General Information – Determination of Net Asset Value per Share"). A conflict may arise with respect to this responsibility given that the fees to be earned by the Orbis are based, in part, on these valuations.

On any issue involving a conflict of interest, the Investment Manager shall be guided by its good faith judgment as to the best interests of the Fund and shall take such actions as it determines to be reasonably necessary or appropriate to eliminate, mitigate, or otherwise address such conflict of interest.

The foregoing section does not necessarily constitute a comprehensive list of all potential conflicts of interest.

## **DATA PROTECTION**

Where the Fund or Investment Manager processes personal data it does so in accordance with the Orbis Privacy Policy. Further information can be found in Members' transaction documentation or on the website [www.orbis.com/international/privacy](http://www.orbis.com/international/privacy).

Except under limited circumstances, all entities to which personal data are transferred are required to maintain the confidentiality of such information to the extent they receive it, and to use the information only in the course of providing such services. Entities to which personal data are transferred may not disclose clients' non-public personal data to persons other than those identified in the Orbis Privacy Statement, except as otherwise provided for in the Orbis Privacy Statement.

## **MATERIAL DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at any time during normal business hours free of charge at the office of the Funds in Bermuda:

- (1) the Companies Act 1981 of Bermuda,
- (2) the Certificates of Incorporation or Continuance dated 22 November 1989 for the Orbis Global Equity Fund and the Orbis Optimal US\$ Fund, 29 November 2002 for the Orbis Japan Equity (US\$) Fund and 12 June 1998 for the Orbis Optimal Euro and Orbis Optimal Yen Funds,
- (3) the Memorandum of Association for each Fund,
- (4) the Bye-laws for all Funds, and
- (5) the written consent and report of the Auditors referred to in the section headed “Auditors’ Permission”,

and the following contracts (not being contracts in the ordinary course of business) which are, or may be, material to the Funds:

- (1) the investment management agreement (including any amendments) between each Fund and the Investment Manager, pursuant to which the Investment Manager has been appointed as the investment manager of the Fund. The investment management agreement in respect of the Orbis Global Equity Fund may be terminated upon 180 days’ prior written notice by either party. The investment management agreements in respect of the Orbis Japan (US\$) Fund and the Orbis Optimal Funds may be terminated upon 90 days’ prior written notice by either party,
- (2) the Custodian Agreement between each Fund and the Custodian, pursuant to which the Custodian has been appointed custodian of the assets of the Fund,
- (3) the agreement between each Fund and the Registrar, pursuant to which the Registrar has been appointed administrator, registrar and transfer agent and provides fund accounting services,
- (4) the sub-portfolio management agreement between the Investment Manager and each Sub-Portfolio Manager, pursuant to which each Sub-Portfolio Manager has been appointed to provide sub-portfolio management services. Each sub-portfolio management agreement may be terminated upon 180 days’ prior written notice by either party.
- (5) the investment advisory agreement between Orbis Bermuda and each Investment Advisor, pursuant to which each Investment Advisor has been appointed to provide investment advice to Orbis Bermuda. The investment advisory agreements may be terminated upon 90 days prior written notice by either party, and
- (6) the investment advisory agreement between Orbis Bermuda and Orbis Guernsey, pursuant to which Orbis Bermuda has been appointed to provide investment advice to Orbis Guernsey. The investment advisory agreement may be terminated upon 90 days prior written notice by either party.

The Funds have entered into no material contracts other than those in the ordinary course of business and those indicated in this section.

## **REGISTER OF MEMBERS**

Entries on the Register of Members relating to a Member are made available for inspection by or on behalf of that Member at any time during normal business hours and free of charge at the office of the Funds in Bermuda, in accordance with the provisions of the Investment Funds Act 2006.

## DISTANCE MARKETING OF FINANCIAL SERVICES DIRECTIVE

Disclosure requirements arising from the European Council Distance Marketing Directive (No. 2002/65/EC) apply to financial services supplied at a distance to consumers in the European Union. The Orbis Funds have determined that for the purposes only of meeting the Directive requirements, the Luxembourg Distance Marketing of Consumer Financial Services Law of 2006 (as replaced by the Luxembourg Law of 8 April 2011) shall apply to the establishment of relations with prospective and current Members entitled to the benefit of the Directive. The Orbis Funds are required to provide specified information to prospective and current Members. This specified information, which is provided in English, is contained in the Orbis Funds' Prospectuses, the Orbis account opening form, the Subscription Form and (for Members who elect to view their account online from the website [www.orbis.com](http://www.orbis.com)) the Orbis Funds Portfolio Services Agreement. These services are not a type of financial service to which cancellation rights apply.

## UNITED KINGDOM RECIPIENTS OF THIS PROSPECTUS

The Orbis Funds are collective investment schemes within the meaning of section 235 of the Financial Services and Markets Act 2000 ("FSMA"). The Funds are however not authorised or regulated by the Financial Conduct Authority ("FCA") and therefore the prospectuses of such Funds (the "Prospectuses") may only be made available to and/or distributed to persons to whom the Funds may lawfully be promoted in the United Kingdom under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("Relevant Persons"), including those persons described below. The Prospectuses are therefore not directed at and must not be forwarded to or relied upon by persons who are not Relevant Persons.

The Prospectuses are made available and/or distributed by Orbis Bermuda. Orbis Bermuda is not authorised or regulated by the FCA and, as such, may only issue the Prospectuses in the UK within the constraints of applicable laws and regulations.

This communication is exempt from the general financial promotion restriction in Section 21 of FSMA and has not been approved by an authorised person on the grounds that it is not directed at persons who are not Relevant Persons. Any persons who are not Relevant Persons may not purchase shares of the Funds and should not act or rely upon the contents of the Prospectuses.

The Prospectuses are not intended to provide, and should not be relied upon for investment, accounting, legal or tax advice, or investment recommendations. Reliance on a Prospectus for the purpose of engaging in investment activity may expose an individual to the risk of losing all of the property or other assets invested. An individual resident in the United Kingdom who has any doubt about investing in a Fund should consult a person authorised by the FCA specialising in advising on this kind of investment.

Relevant Persons include the following persons resident in the United Kingdom:

**Investment Professionals.** An Investment Professional means a person who is:

- (1) authorised by the FCA,
- (2) an exempt person, provided that such person is exempt in relation to unregulated collective investment schemes ("unregulated schemes"),
- (3) a government or local authority,
- (4) any other person:
  - (i) whose ordinary activities involve dealing with unregulated schemes by way of business,
  - or,

- (ii) who it is reasonable to expect will deal with unregulated schemes by way of business, or,
- (5) any person (“A”) whilst acting in the capacity of director, officer or employee of a person (“B”) falling within any of sub-paragraphs (1) to (4), where A’s responsibilities, when acting in that capacity, involve him in B’s participation in unregulated schemes.

**Sophisticated Investors.** A Sophisticated Investor means a person who has:

- (1) a current certificate in writing or other legible form signed by a third party FCA authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with participating in unregulated schemes, and
- (2) signed, within the period of twelve months ending with the day on which the communication is made, a statement in the following terms:

“I make this statement so that I can receive promotions which are exempt from the restriction on promotion of unregulated schemes in the Financial Services and Markets Act 2000. The exemption relates to certified sophisticated investors and I declare that I qualify as such. I accept that the schemes to which the promotions will relate are not authorised or recognised for the purposes of that Act. I am aware that it is open to me to seek advice from an authorised person who specialises in advising on this kind of investment”.

**High Net Worth Companies, Unincorporated Associations, etc.** High net worth companies, unincorporated associations, etc. means:

- (1) any body corporate which has, or which is a member of the same group as an undertaking which has, a called-up share capital or net assets of not less than:
  - (i) if the body corporate has more than 20 members or is a subsidiary undertaking of an undertaking which has more than 20 members, £500,000, or,
  - (ii) otherwise, £5 million,
- (2) any unincorporated association or partnership which has net assets of not less than £5 million,
- (3) the trustee of a high value trust (meaning a trust where the aggregate value of the trust’s assets, before deducting liabilities, is £10 million or more or has been in the preceding 12 months),
- (4) any person (“A”) whilst acting in the capacity of director, officer or employee of a person (“B”) falling within any of sub-paragraphs (1) to (3), where A’s responsibilities, when acting in that capacity, involve him in B’s participation in unregulated schemes, or,
- (5) any person to whom the communication might otherwise lawfully be made.

## **OTHER MATTERS**

None of the Funds is engaged in any litigation or arbitration proceedings as a defendant or aware of any litigation or claim pending or threatened against it. The Funds infrequently take part in litigation as a plaintiff when the Investment Manager believes it is in Members’ best interests to do so.

Each Fund has agreed to indemnify the Investment Manager and every Director, officer and employee of the Fund and of the Investment Manager against all costs, losses and expenses which any such indemnified person may incur or for which he or she may become liable by reason of any contract entered into, or act or thing done by him or her in such capacity, or in any way in the discharge of his or her duties, except in the event of his or her own fraud or dishonesty. The amount

for which such indemnity is provided shall immediately attach as a lien on the property of the Fund, and have priority as between the Members over all other claims. The investment management agreement provides for the indemnity of the Investment Manager and its Directors and officers.

## RISK WARNINGS

There is no assurance that the investment approach of each Fund will be successful or that a Fund will achieve its investment objective. It should be appreciated that the value of shares in the Funds can go down as well as up, that investors may not realise the amount initially invested, and that past performance is not a reliable indicator of future results.

As part of our investment process, we consider tax impacts to the Funds in our investment case for a particular investment. However, we do not actively undertake any specific steps designed to maximise any particular outcome in respect of tax matters. We make no assurance that optimal tax treatment will be achieved in any particular circumstances.

**Emerging and Frontier Markets.** Certain of the Funds may be invested in securities in markets which are considered to be emerging markets. Such markets are generally less mature and developed than those in advanced countries and emerging market countries have varying laws and regulations. There are significant risks involved in investing in emerging markets including liquidity risks, sometimes aggravated by rapid and large outflows of “hot money” and capital flight, currency risks, and political risks, including potential exchange control regulations and potential restrictions or controls on foreign investment and repatriation of capital. In many cases, such risks are significantly higher than those in developed markets. Furthermore, emerging markets often have a more limited number of potential buyers and issuers and may be dependent on revenue from particular commodities or international aid. Additionally, emerging markets may have less government supervision and regulation, differences in auditing and financial reporting standards, and less developed legal systems. In addition, emerging markets often have less developed securities settlements processes and less developed legal systems, which may delay or prevent settlement of securities transactions.

These risks are generally greater for investments in frontier market countries, which typically have smaller economies or less developed capital markets than traditional emerging market countries.

In addition, due to the nature of some emerging and frontier markets, the choice of brokers available may be more limited.

Several of the Funds may be invested in securities listed on the Moscow Exchange (including the Moscow Interbank Currency Exchange and the Russian Trading System stock exchange). Whilst securities traded on the Moscow Exchange are treated as investments in securities dealt in on a regulated market, the Russian securities market is subject to particular risks, some of which may result in a lack of market efficiency and liquidity, which may cause higher price volatility and market disruptions. Investments in Russia are subject to other significant risks, including with regard to ownership and custody of securities as well as counterparty exposure.

**Orbis Optimal Funds.** The Orbis Optimal Funds’ Portfolio Hedging is neither intended to, nor can it, eliminate the risk of loss inherent in its underlying equity investments. Instead such Portfolio Hedging is attempting to partially reduce only the risk of loss associated with a significant decline in stockmarkets, although this risk reduction may not be achieved. In addition, the Orbis Optimal Funds are subject to significant counterparty risk. This risk is enhanced at each successive layer within each Fund’s inter-fund investment structure as a result of the use of (A) currency forward contracts by (i) the Fund, and (ii) the selected Orbis equity mutual funds (into which the Fund invests), and (B) futures by certain funds within the inter-fund structure.

As between the different funds at each successive layer of the inter-fund structure, this risk is not mitigated by the industry standard ISDA netting agreements employed for currency forward contracts or set-off rights at law.

For example, as at 31 December 2017, the full face value of the aggregate counterparty exposure, taking into account all layers of the investments underlying the:

- (1) Orbis Optimal US\$ Fund, was approximately 154% of the Fund's Net Asset Value; comprising exposure of approximately 69% in currency forwards and approximately 85% in stockmarket index futures;
- (2) Orbis Optimal Yen Fund, was approximately 247% of the Fund's Net Asset Value; comprising exposure of approximately 162% in currency forwards and approximately 85% in stockmarket index futures; and
- (3) Orbis Optimal Euro Fund, was approximately 245% of the Fund's Net Asset Value; comprising exposure of approximately 161% in currency forwards and approximately 84% in stockmarket index futures.

The foregoing exposures represent a snap shot of one measure of a Fund's counterparty risk at 31 December 2017. Such exposures will change and in some instances could be materially higher in the future.

**Contractual Risk.** A Fund's contractual risk is increased to the extent it uses derivatives to manage its exposure to stockmarkets, currencies and/or interest rates. Contractual risk includes the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Fund has concentrated its transactions with a single or small group of counterparties.

**OTC Derivatives.** Price movements of forward contracts and other derivative contracts in which the assets of the Fund may be invested are highly volatile and are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Forward contracts are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Trading in forward contracts is substantially unregulated and there is no limitation on daily price movements.

Borrowing, leveraging, and trading securities on margin, will result in interest charges and, depending on the amount of trading activity, such charges could be substantial. The low margin deposits normally required in futures and forward trading utilised by some of the Orbis Funds permit a high degree of leverage; accordingly, a relatively small price movement in a futures or forward contract may result in immediate and substantial losses to the investor. Irrespective of the risk control objectives of the relevant Orbis Fund, such a degree of exposure necessarily entails a corresponding degree of risk.

**FATCA and Other Tax Reporting Regimes.** The FATCA rules were generally designed to establish a new reporting regime in respect of the direct and indirect ownership of non-U.S. accounts by U.S. persons. Under FATCA, each Orbis Fund is classified as an FFI.

As an FFI, each Orbis Fund is required to register, and has registered, with the IRS. As a condition of registration, each Orbis Fund agreed to comply with the terms of a FATCA



Agreement with the IRS, under which each Orbis Fund is required to obtain information about its Members (and, in some cases, beneficial holders) and may be required to disclose information to the IRS about its Members (and, in some cases, beneficial holders). As a condition to opening an account with an Orbis Fund, all Members are required to consent to this disclosure.

Each Orbis Fund currently intends to qualify as a Registered Deemed-Compliant FFI (as defined in FATCA) for all FATCA purposes. Failure by an Orbis Fund to qualify as a Registered Deemed-Compliant FFI, or to comply with the terms of the FATCA Agreement, could cause the Orbis Fund to become subject to withholding tax at a rate of 30% on certain U.S.-source payments to that Fund, which could have a material adverse effect on that Fund's performance.

Additionally, an Orbis Fund may be compelled to withhold tax on payments it makes to Members that do not provide information as to their FATCA status or which are themselves noncompliant FFIs.

As a result, Members (and, in some cases, beneficial holders) will be required to provide any information that an Orbis Fund determines necessary to avoid the imposition of this withholding tax or in order to allow the Fund to satisfy these obligations. Similarly, Members (and, in some case, beneficial holders) will be required to provide any information that an Orbis Fund considers necessary to enable it to comply with its obligations under CRS or the UK - Bermuda IGA. For Members or beneficial holders that are tax resident in the UK or another participating jurisdiction, this information may be disclosed to the applicable tax authorities in that jurisdiction.

The rules under FATCA, CRS and the UK - Bermuda IGA are extremely complex. Members and beneficial holders should consult their own tax advisors to obtain a more detailed explanation of these rules and to learn how they might affect the Orbis Funds and the Member or beneficial holder in their particular circumstances.

**Stock Connect.** To the extent that a Fund's investments in China are dealt through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (together, "Stock Connect"), such dealing may be subject to additional risk factors, some of which may impact that Fund's ability to implement its investment strategy effectively. As Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect were launched in November 2014 and December 2016, respectively, the relevant laws and regulations are untested and the Stock Connect rules, scope and risk factors subject to change.

The following paragraphs describe the principal risks related to Shanghai-Hong Kong Stock Connect. Substantially similar risks apply to Shenzhen-Hong Kong Stock Connect.

Shanghai-Hong Kong Stock Connect securities will be held in uncertificated form by a central securities depository in Hong Kong (the "CSD") through a single nominee omnibus securities account in its name. A failure or delay by the CSD in the performance of its obligations may result in a failure of settlement or the loss of Shanghai-Hong Kong Stock Connect securities and/or related monies and a Fund and its investors may suffer losses as a result. A Fund's title and interests in, and entitlements to, Shanghai-Hong Kong Stock Connect securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction and applicable local market rules. The CSD will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in Shanghai-Hong Kong Stock Connect securities in mainland China. It is furthermore uncertain whether the Chinese courts would recognise the ownership interest of investors to allow them standing to take legal action against

the Chinese entities in case disputes arise. Trading under Shanghai-Hong Kong Stock Connect will not be covered by the Hong Kong's Investor Compensation Fund or the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

Shanghai-Hong Kong Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. There will therefore be occasions when it is a normal trading day for the mainland China market but it is not possible to carry out any trading of Shanghai-Hong Kong Stock Connect securities in Hong Kong, which may create a risk of price fluctuations. The interpretation and applicability of existing Chinese tax laws may not be as consistent and transparent as those of more developed nations, and may vary from region to region. There is a possibility that the current tax laws, regulations, and practice in China may be changed with retrospective effect in the future.

## FUND PRICES AND FURTHER INFORMATION

The latest weekly prices of the Funds are normally calculated each Friday based on the prices of the underlying investments prevailing at 5:30 pm Bermuda time on the previous day. The prices may be obtained:

- from the Orbis website [www.orbis.com](http://www.orbis.com). This is updated with the weekly prices by 2 pm Bermuda time each Friday,
- by e-mail by registering with Orbis for this service at the Orbis website [www.orbis.com](http://www.orbis.com),
- from the Reuters page "ORBIS", and
- from Bloomberg.

While the preceding pages are intended to answer most questions, if you have any further enquiries, please do not hesitate to contact the appropriate party indicated below:

### THE REGISTRAR

Citibank Europe plc,  
Luxembourg Branch  
31, Z.A. Bourmicht  
L-8070 Bertrange  
Luxembourg

Telephone: +353 1622 4040  
Facsimile: +353 1622 4034  
Attention: The Orbis Service Team  
E-mail: [Orbisclientservice@citi.com](mailto:Orbisclientservice@citi.com)

Please contact the Registrar to notify a change in your address or with questions regarding

- how to subscribe to the Orbis Funds;
- how to redeem, transfer or exchange shares;
- share certificates; or
- contract notes.

Please contact Orbis with requests for copies of this General Information document, the Introductory Booklets Reports to Members or the annual audited financial statements of an Orbis Fund, or with questions regarding the Orbis Funds or other investment related matters. Questions regarding taxation, estate planning or other legal matters are best answered by a professional advisor.

### ORBIS

#### Orbis Funds

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P.O. Box HM 571  
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E-mail: [clientservice@orbis.com](mailto:clientservice@orbis.com)  
Attention: Client Services Team

### COMPLAINTS

Members and prospective Members who wish to lodge a complaint concerning an Orbis Fund, the Investment Manager or any Fund Shares may do so by telephoning the Client Services Team of Orbis Investment Management Limited in Bermuda at +1 (441) 296 3000. Written complaints should be sent by electronic mail to: [clientservice@orbis.com](mailto:clientservice@orbis.com) or by mail or courier to Orbis Investment Management Limited, Orbis House, 25 Front Street, Hamilton HM 11, Bermuda, Attention: The Client Services Team. The Complaints Resolution Policy of the Investment Manager is available to Members and prospective Members upon request.

## GLOSSARY

Unless otherwise indicated, the following terms have the following meanings in the Prospectus:

“Accounting Exposure” means, when used by an Investment Manager in an analysis of a Fund’s stockmarket exposure, Equity Exposure minus the Portfolio Hedging or Stockmarket Positions.

“Alpha” is a measure of the superior or inferior risk adjusted return of a portfolio, being the Total Rate of Return less the return of the market adjusted by the portfolio’s Beta. A positive Alpha reflects a superior risk adjusted return.

“Average Euro Bond Fund” is described in “Total Rate of Return” in this Glossary.

“Average Global Equity Fund” is described in “Total Rate of Return” in this Glossary.

“Average Japan Equity Fund” is described in “Total Rate of Return” in this Glossary.

“Average US\$ Bond Fund” is described in “Total Rate of Return” in this Glossary.

“Average Yen Bond Fund” is described in “Total Rate of Return” in this Glossary.

“Bank Deposits” has the meaning ascribed thereto in “Total Rate of Return” in this Glossary.

“Beta” means the sensitivity of the periodic returns of a portfolio to those of a stockmarket index. A Beta of 1.0 implies that a percentage move in the stockmarket index has been or is expected to be, on average, reflected by a similar percentage move in the portfolio. A Beta of less than 1.0 implies proportionally less exposure to volatility caused by stockmarket movements, and vice versa. When an Investment Manager uses Beta in an analysis of a Fund’s stockmarket exposure, Beta has been adjusted to improve its ability to measure prospective stockmarket sensitivity, although it remains heavily influenced by past data.

“Beta Adjusted Exposure” means, when used by an Investment Manager in an analysis of a Fund’s stockmarket exposure, the Equity Exposure multiplied by an estimated prospective Beta, minus Portfolio Hedging or Stockmarket Positions.

“Business Day” means any day on which banks are open for business in Bermuda or New York.

“Citi” means Citibank Europe plc, Luxembourg Branch.

“Class” or “Share Class” refers to either a particular share class or to a Series within a Class where the relevant context so requires such interpretation.

“Custodian” means Citibank, N.A., New York Offices, which has been appointed by each Fund to take into custody or under control all of the property of the Fund.

“Dealing Day” means a day on which the shares of a Fund may be subscribed for or redeemed, being every Thursday (or in the event such Thursday is not a Business Day, then the immediately preceding Business Day), and/or such other days in addition thereto or substitution therefor as determined by the Investment Manager without notice. However, with respect to Refundable Reserve Fee Share Classes only, “Dealing Day” means the first Thursday of each calendar month and any other Thursday on which an existing or prospective investor submits valid dealing instructions.

“Distributor Status” means certification by the Board of Inland Revenue as a distributing fund for the purposes of Chapter V of Part XVII of the United Kingdom Income and Corporation Taxes Act 1988.

“Eligible Currency” refers to any of the euro, U.S. dollars, Canadian dollars, Australian dollars, British pounds, Japanese yen, Swiss francs and South African rand.

“Equity Exposure” means, when used by an Investment Manager in an analysis of a Fund’s stockmarket exposure, the percentage of the Fund invested directly or indirectly in equities, usually with respect to a particular geographic region.

“Fair Value Pricing Adjustments” means the adjustment of asset values to more accurately reflect the fair value of a Fund’s assets, as more fully described in the section entitled “General Information – Determination of Net Asset Value per Share”.

“Founders’ Share” has the meaning ascribed thereto in the Bye-laws of a Fund.

“Fund Shares” means a share of any Class in the capital of a Fund other than the Founders’ Shares.

“Investment Advisors” means the one or more investment advisors appointed by the Investment Manager of each Fund to research and recommend investments for that Fund.

“Investment Manager” means the person or body corporate appointed by the Directors of each Fund to manage the investments of that Fund.

“Member” means the person or body corporate registered in the share register of a Fund as the holder of shares in the Fund.

“Morningstar” means Morningstar, Inc.

“Orbis Bermuda” means Orbis Investment Management Limited.

“Orbis Funds” or the “Funds” means Orbis Global Equity Fund, Orbis Japan Equity (US\$) Fund and the Orbis Optimal Funds.

“Orbis Global Equity Fund” means Orbis Global Equity Fund Limited.

“Orbis Group” means collectively the Investment Manager, the Sub-Portfolio Managers, the Investment Advisors and their affiliates, directors, officers and shareholders.

“Orbis Guernsey” means Orbis Investment Management (Guernsey) Limited.

“Orbis Japan Equity (US\$) Fund” means Orbis Japan Equity (US\$) Fund Limited.

“Orbis Japan Equity Fund” means Orbis SICAV – Japan Equity Fund.

“Orbis Japan Funds” means, together, the Orbis Japan Equity Fund and the Orbis Japan Equity (US\$) Fund.

“Orbis Optimal Euro Fund” means the Orbis Optimal (Euro) Fund Shares of Orbis Optimal Overlay Funds Limited.

“Orbis Optimal Funds” means, collectively, the Orbis Optimal Euro Fund, the Orbis Optimal Yen Fund and the Orbis Optimal US\$ Fund.

“Orbis Optimal US\$ Fund” means Orbis Optimal (US\$) Fund Limited.

“Orbis Optimal Yen Fund” means the Orbis Optimal (Yen) Fund Shares of Orbis Optimal Overlay Funds Limited.

“Orbis SICAV Fund” means any sub-fund of Orbis SICAV, an undertaking for collective investment in transferable securities (UCITS) registered in Luxembourg.

“Portfolio Hedging” refers to the Orbis Optimal US\$ Fund’s specific approach to reducing risk of monetary loss principally by selling futures and buying put options, based on stockmarket indices. When an Investment Manager refers to Portfolio Hedging in an analysis of a Fund’s stockmarket exposure, Portfolio Hedging means the short exposure to each stockmarket that results from the hedging instruments to which the Fund is directly or indirectly exposed.

“Prospectus” means for an Orbis Fund this General Information document and that Fund’s (i) Introductory Booklet, (ii) latest Report to Members, and (iii) latest audited financial statements.

“Refundable Reserve Fee” means the performance-based fee offered in a Refundable Reserve Fee Share Class (if any) of a Fund.

“Refundable Reserve Fee Share Class” means a Share Class that bears a Refundable Reserve Fee.

“Reference Currency” refers to the currency in which the Net Asset Value of the Fund is calculated and published.

“Registrar” means the person appointed by each Fund who is responsible for issuing and redeeming shares and for controlling investors’ cash receipts and payments associated therewith, for maintaining the Register of Members and for keeping the accounts of the Fund and pricing its shares.

“Report to Members” means the report made available by an Orbis Fund to its Members on a monthly basis.

“Reporting Fund” means a Fund that has been approved as a reporting fund by the United Kingdom HM Revenue & Customs in accordance with the Offshore Funds (Tax) Regulations 2009 and subsequent amendments.

“Series” means any series of Fund Shares created for issue.

“Stock Connect” refers to the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect, as the case may be, the mutual market access programmes through which investors can deal in selected securities listed on the Shanghai Stock Exchange (“SSE”) and/or Shenzhen Stock Exchange through the Stock Exchange of Hong Kong (“SEHK”) and the clearing house in Hong Kong and Chinese domestic investors can deal in selected securities listed on the SEHK through the SSE or Shenzhen Stock Exchange clearing houses in Shanghai or Shenzhen, respectively.

“Stockmarket Positions” means, when used by an Investment Manager in an analysis of a Fund’s stockmarket exposure, the exposure to a stockmarket index that results from the derivative instruments held directly or indirectly by the Fund. These derivatives usually comprise stockmarket index futures and options and warrants based on stockmarket indices.

“Sub-Portfolio Manager” means one or more entities appointed by an Investment Manager to provide investment decisions and advice with respect to a limited portion of the relevant Fund’s portfolio. Such limitations may be defined by asset type, geographic region and/or the amount of assets in the portfolio.

“TOPIX” means the Tokyo Stock Price Index calculated by the Tokyo Stock Exchange, including dividend income of that index before deduction of withholding tax.

“TOPIX Hedged” means the TOPIX hedged from Japanese yen into the Unit Currency of the relevant Class of the Orbis Japan Equity Fund or the Orbis Japan Equity (US\$) Fund, as applicable.

“Total Rate of Return” means:

For each Orbis Fund, the percentage change in its net asset value per share based on closing prices without Fair Value Pricing Adjustments, stated after accounting for all its income earned and expenses incurred, including the Investment Manager’s fee. If the Fund pays any dividends, reinvestment is assumed.

For the Average Euro Bond Fund, the percentage change in the respective custom Average Fund Index provided by Morningstar.

For the Average Global Equity Fund, the percentage change in the respective custom Average Fund Index provided by Morningstar.

For the Average Japan Equity Fund, the percentage change in the respective custom Average Fund Index provided by Morningstar.

For the Average US\$ Bond Fund, the percentage change in the respective custom Average Fund Index provided by Morningstar.

For the Average Yen Bond Fund, the percentage change in the respective custom Average Fund Index provided by Morningstar.

For Bank Deposits, the compound total returns from one-month inter-bank deposits. Unless otherwise specified for the Orbis Optimal US\$ Fund, these comprise deposits in the Fund’s mix of benchmark currencies, being 100% U.S. dollars (prior to 30 June 1998 40% dollars, 40% ECU and 20% yen).

For the TOPIX and the TOPIX Hedged, the percentage change in the TOPIX and the percentage change in the TOPIX Hedged, respectively.

For the World Index, the percentage change in that index.

“Valuation Day” means a day on which the Shares of a Fund are priced, being every Thursday, and/or such other days in addition thereto or substitution therefor as determined by the Investment Manager without notice. However, with respect to Refundable Reserve Fee Share Classes only,

“Valuation Day” means the first Thursday and the last day of each calendar month plus any additional Dealing Day.

“Unit Currency” means in relation to a Class of a Fund which issues shares in multiple currencies, the currency in which the Net Asset Value per share of the shares of the Class is calculated and published.

“World Index” means the FTSE World Index, including income before deduction of withholding tax. The World Index is owned by FTSE International Limited.



**ORBIS FUNDS**

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